health reform MINNESOTA
A Better State of Health

Access Work Group - Feedback and Recommendations
Essential Health Benefits

Findings:

1. Based on a review of the Health and Human Services' (HHS) December 16, 2011 bulletin on Essential Health Benefits (EHB) there do not appear to be significant differences between the benchmark plans available to serve as a reference plan for Minnesota's Essential Health Benefits:
    a. All of the Minnesota-based plans cover all of the Minnesota benefit mandates;
    b. The Federal plans appear to cover nearly all of Minnesota benefit mandates; and
    c. The bulletin states that a health insurance issuer will have flexibility to adjust benefits, including both the specific services covered and any quantitative limits, so the specific covered benefits in a benchmark plan may not be significant.

2. The HHS bulletin anticipates that health insurers will have the ability to vary covered benefits to permit innovation, choice, and the ability to create plans/products to meet the varying needs of different populations.

3. The bulletin does not provide information about the methodologies for determining the actuarial value of health plans overall, or of the specific ten coverage categories described in statute. Until HHS provides additional information about how a health insurer uses the benchmark plan to design covered benefits and the calculation of actuarial value and actuarial equivalence, there is not enough information to fully evaluate the benchmark plan options and their affordability.

4. HHS will promulgate regulations that will expand on the guidance in the bulletin. We do not know when that regulation will be published.

Principles / Recommendations:

1. The Health Care Reform Task Force should urge HHS to provide additional guidance or regulations to allow Minnesota to make fully informed choices about the EHB as soon as possible. Specifically, the Task Force should request:
    a. More specificity regarding pediatric hospice and home care services within the ten Affordable Care Act coverage categories;
    b. Further clarity regarding whether or not smoking cessation is considered prevention and is included in the EHB;
    c. Additional specificity regarding the dental (pediatric and adult) health benefit and HHS efforts to ensure that benefits included in the default options do not make affordability unachievable; and
    d. Greater clarity around the flexibility health insurance issuers will have to adjust benefits, including both the specific services covered and any quantitative limits.

2. The Health Care Reform Task Force should urge HHS to provide more detailed information about the specific services and benefits covered under the Federal Employee Health Benefits Plans (FEHBP) and the significance of

that coverage (or coverage limits) on the EHB. HHS should specifically provide more detailed information about mental health and behavioral health benefits if the FEHBP is selected as the benchmark plan.

3. The Health Care Reform Task Force should re-examine the EHB after HHS provides additional guidance and/or promulgates regulations to determine if that guidance creates/clarifies significant differences between benchmark plan options.

4. There should be an on-going mechanism [e.g., Access Workgroup] for community/stakeholder discussion and feedback of the EHB as it evolves over the next few years, especially as HHS modifies its methodologies and requirements for 2016 and beyond.

5. As Minnesota evaluates and makes decision about the EHB into the future, there should be a mechanism for reviewing existing benefit mandates and potential benefit mandates. The review should address issues such as:

    a. The scientific and medical information of the benefit, including comparisons with alternative forms of treatment;
    b. The health and economic impact of the benefit, including the cost-effectiveness of the benefit; and
    c. The extent to which the benefit will increase or decrease the affordability of health insurance.

6. Health insurers should use the flexibility in the EHB benefit design to ensure that there are diverse and comprehensive plans/products that meet the different health needs of Minnesotans, so that plans/products can change as health care needs and practices evolve.

7. Within the diverse plans and products, health insurers should make it easier and more transparent for consumers to identify and understand the covered benefits in any particular plan/product.

8. DHS should work with the health insurers and the Exchange to have plans/products that support individual and family transitions between public and private coverage.